

Program A: Administrative

Program Authorization: R.S. 47:1401 et seq.

PROGRAM DESCRIPTION

The mission of the Administrative Program of the Board of Tax Appeals is to resolve equitably, fairly and expeditiously any disputes between taxpayers and the Department of Revenue. The goals of the Administrative Program of the Board of Tax Appeals are:

1. To protect taxpayer's rights to appeal at minimum expense.
2. To maintain an efficient filing and processing of taxpayer appeals to both the Legal Division and the Collection Division of the Department of Revenue for an expeditious resolution.
3. To develop and maintain an open working communication with the Secretary of the Department of Revenue.
4. To make the Board's rules and requirements for filing an appeal simple and convenient for all taxpayers.
5. To handle all taxpayer issues that come before the board in a professional, fair, and equitable manner.
6. To maintain the integrity and independence of the Board of Tax Appeals.

The Board of Tax Appeals has the authority to hear appeals from the imposition of the following types of taxes; individual income; corporate income; corporate franchise; excise; severance; sales and use; withholding; motor vehicle; transportation and communication; hazardous waste; inspection and supervision; and inventory and special fuels. If a taxpayer is aggrieved by an assessment made by the Secretary of the Department of Revenue, the taxpayer files a petition with the Board of Tax Appeals seeking relief. The department has 30 days in which to answer the allegations. The case is assigned for hearing, at which time either party may introduce evidence. After hearing the case and considering the record, the law and evidence, a judgement is rendered by the Board of Tax Appeals. If the judgement is not appealed by either party within 30 days, it becomes final.

The Board also approves or disapproves claims against the state. If the claim is approved by the Board, the legislature is authorized to appropriate funds to pay the claim. In addition, the Board of Tax Appeals is authorized to review and approve or disapprove the following: offers of compromise; penalty waiver requests; tax lien releases and redetermination of final assessments submitted by the Secretary of the Department of Revenue. The Board also hears appeals from the Secretary's denial of claims or tax refunds or the Secretary's refusal to act on claims or refunds.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1.(KEY) To process all taxpayer claims, applications, and requests received within 30 days of receipt.

Strategic Link: This objective is necessary to accomplish Strategic Objectives 1: *To file cases and conduct hearings as requested by parties during the fiscal years 1998-2003*; and 2. *To review requests and recommendations, and issue decisions and orders in unresolved cases in fiscal years 1998-2003.*

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

Explanatory Note: The Board of Tax Appeals indicates that: the essential product of the Board of Tax Appeals is conducting fair and impartial due process hearings, a service not easily quantified or qualified. The board can count the number of petitions filed, hearings conducted, decisions rendered and recommendations reviewed, but impartiality and constitutional due process are not measurable. The board offers an impartial setting to resolve disputes between the Department of Revenue and taxpayers. Internal and external factors that are beyond the control of the board and could significantly affect the board's goals and objectives and the achievement of performance standards include:

1. The number and types of cases that the board is likely to receive as a result of new tax laws and regulations to be enforced is not determinable in advance and could fluctuate greatly.

2. The board is not only responsible for petitions filed by taxpayers, but also responds to requests and recommendations made by the Department of Revenue. The board does not generate its own input and cannot control the number and types of cases it receives. Taxpayers decide how many petitions are filed and the board processes 100% of the cases. The board cannot control the number of assessments or denials of refunds by the Department of Revenue or the number of taxpayers who choose to contest the decisions of the Department of Revenue by requesting a hearing. After a petition is filed, either party may withdraw the hearing request or settle the matter.

In addition, the availability of attorneys in the Legal Division of the Department of Revenue impacts the number of cases the board can place on its monthly docket. The number of cases available to be heard by the board is influenced by available attorneys in the Legal Division of Department of Revenue, the taxpayer and their legal counsel. 'When the Department of Revenue has a small number of attorneys, the number of cases they are able to bring before the board is limited. Conversely, an increase in the number of attorneys at the Department of Revenue allows the board to hear more cases. Thus, the performance indicator, number of hearings held, is beyond the board's control. The board performs 100% of its hearing duties in the cases where both parties are ready to move forward.

3. The board is also impeded in developing objectives and performance indicators because of the lack of a tracking system to compile various data, track process components and time frames, and measure progress toward alternative objectives. Presently, all of the board's information is gathered manually and is sometimes limited. A computerized central case docketing system and tracking system would show the status of any case, the board's caseload, hearing schedules, etc., and would improve the board's management capability and operational efficiency.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Percentage of taxpayer claim, applications, and requests processed within 30 days	100%	100%	100%	100%	100%	100%

K	Percentage of claims appealed to district court	Not applicable ¹	2.7%	Not applicable ¹	1.6% ¹	3.2%	3.2%
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¹ This is a new performance indicator for FY 2001-2001. It did not appear under Act 10 of 1999 or Act 11 of 2000 and does not have a performance standard for FY 1999-2000 or FY 2000-2001. The value shown for existing performance standard is an estimate not a standard.

GENERAL PERFORMANCE INFORMATION: BOARD OF TAX APPEALS				
PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00
Number of cases filed and docketed	138	181	210	179
Number of cases filed and settled without docketing	131	227	292	297
Number of claims appealed to district court	Not available	7	5	8

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$198,191	\$229,438	\$229,438	\$241,722	\$231,435	\$1,997
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	25,846	25,160	25,160	25,160	25,160	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	\$224,037	\$254,598	\$254,598	\$266,882	\$256,595	\$1,997
EXPENDITURES & REQUEST:						
Salaries	\$96,244	\$97,848	\$97,848	\$102,753	\$102,753	\$4,905
Other Compensation	34,200	34,000	34,000	34,000	34,000	0
Related Benefits	21,999	27,065	27,065	28,260	28,260	1,195
Total Operating Expenses	41,088	51,075	51,075	56,161	55,949	4,874
Professional Services	24,000	24,000	24,000	29,280	28,800	4,800
Total Other Charges	2,786	2,840	2,840	3,113	3,113	273
Total Acq. & Major Repairs	3,720	17,770	17,770	13,315	3,720	(14,050)
TOTAL EXPENDITURES AND REQUEST	\$224,037	\$254,598	\$254,598	\$266,882	\$256,595	\$1,997
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	2	3	3	3	3	0
TOTAL	2	3	3	3	3	0

SOURCE OF FUNDING

This program is funded with State General Fund and Fees and Self-generated Revenues. Fees and Self-generated Revenues are derived from filing fees based on the amount in dispute and charges for copies of transcripts of hearings.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$229,438	\$254,598	3	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$229,438	\$254,598	3	EXISTING OPERATING BUDGET – December 15, 2000
\$6,100	\$6,100	0	Unclassified State Employees Merit Increases for FY 2001-2002
\$100	\$100	0	Risk Management Adjustment
\$0	\$3,720	0	Acquisitions & Major Repairs
(\$13,770)	(\$17,770)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$233	0	Legislative Auditor Fees
\$0	\$40	0	UPS Fees
\$9,567	\$9,574	0	Other Adjustments - Adjustment to rent, professional dues and subscriptions, travel for Board members, and attorney fees
\$231,435	\$256,595	3	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 100.7% of the existing operating budget. It represents 94.0% of the total request (\$272,693) for this program. The difference between existing operating budget and recommended is primarily attributable to adjustments for rent, attorney fees, professional dues and subscriptions, and travel for Board Members.

PROFESSIONAL SERVICES

\$28,800	Legal services as required by the Board
\$28,800	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$2,838 Legislative Auditor

\$2,838 SUB-TOTAL OTHER CHARGES

Interagency Transfers:

\$275 Office of Uniform Payroll System

\$275 SUB-TOTAL INTERAGENCY TRANSFERS

\$3,113 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$3,720 Computer and network card

\$3,720 TOTAL ACQUISITIONS AND MAJOR REPAIRS